



For Immediate Release

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Construction of the First Heated and Insulated Pipeline begins

**600 kilometres pipeline to transport crude from the country's biggest
Onshore oil field to refineries across India**

The construction work of India's first heated and insulated pipeline and a gas pipeline from Barmer, Rajasthan to a coastal location in the Jamnagar district of Gujarat began today. The pipe laying activity for the landmark Pipe Line project formally commenced, in the presence of Sir Bill Gammell, Chairman of Cairn India through a traditional Puja ceremony, at Bevtia in the Banaskantha district, about 200 km from Ahmedabad in Gujarat.

To date, almost 80% of the contracts to construct the pipeline have been awarded, to Indian companies. The integrated engineering, procurement and construction (EPC) contract for the pipeline is being carried out by Larsen & Toubro, India's leading Engineering, Design and Construction Company, while the line pipe has come from the Jindal Saw Mill at Mundra.

At peak production the Mangala, Bhagyam and Aishwariya fields will aim to produce 175,000 barrels of oil per day and boost India's domestic crude production by approximately 25%.

The oil field development work at Cairn India's world class discovery in Rajasthan is proceeding on schedule. The integrated upstream and pipe line development is on course to produce first oil from Mangala in the second half of 2009.

The routing of India's first insulated and heated oil pipeline and gas pipeline is designed to access an extensive existing pipeline infrastructure and refinery network, with a final coastal delivery point providing access to the majority of India's refining capacity.

The ~ 600 km, 24 inch diameter insulated pipeline for exporting of heated crude oil, will run from Barmer in Rajasthan to a coastal location in Gujarat, via Viramgam. It will have an 8 inches diameter gas line running most of its length, starting from the Raageshwari gas field in the Rajasthan Block.

A minimum of 32 intermediate power feeding / heating stations will be built along the length of the pipeline. These stations will help in maintaining the required temperature within the pipeline. The land for the first 25 Heating Stations (starting from Barmer) and the Viramgam Terminal has been acquired to commence construction activities.

The Ministry of Petroleum and Natural Gas, Government of India, on 30 April 2008, had conveyed its agreement to shift the delivery point of Rajasthan Crude under the RJ-ON-90/1 Production Sharing Contract from Barmer to Salaya at the Gujarat coast.

Please go to the gallery for images of this event.

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About Cairn India Limited

- “Cairn India” where referred to in the release means Cairn India Limited and/or its subsidiaries, as appropriate.
- “Cairn” where referred to in this release means Cairn Energy PLC and/or its subsidiaries (including Cairn India), as appropriate.
- Cairn India is headquartered in Gurgaon on the outskirts of Delhi, with operational offices in Chennai, Gujarat, Andhra Pradesh and Rajasthan.
- On 9 January 2007, Cairn successfully concluded the flotation of its Indian business with the commencement of trading of Cairn India Limited on the Bombay Stock Exchange and the National Stock Exchange of India. Cairn Energy PLC currently holds a 65% shareholding in Cairn India Limited.
- Cairn India is currently focused on exploration and production in India where it has a working interest in 14 blocks, two of which are producing hydrocarbons. The company holds material exploration and production positions in west India and east India along with new exploration rights elsewhere in India and Sri Lanka.
- This focus on India has already resulted in a significant number of oil and gas discoveries. In particular, Cairn made a major oil discovery (Mangala) in Rajasthan in the north west of India at the beginning of 2004. More than 20 discoveries have been made in Rajasthan block RJ-ON-90/1.
- In Rajasthan, Cairn India operates Block RJ-ON-90/1 under a Production Sharing Contract (PSC) signed on 15 May 1995. The main Development Area (1,858 km²), which includes Mangala, Aishwariya, Saraswati and Raageshwari; is shared between Cairn India and ONGC, with Cairn India holding 70% and ONGC having exercised their back in right for 30%. A further Development Area (430 km²), including the Bhagyam and Shakti fields, is also shared between Cairn India and ONGC in the same proportion.
- The Operating Committee for Block RJ-ON-90/1 consists of Cairn India and ONGC.
- India currently imports approximately 2,000,000 barrels of oil per day (bopd). It produces approximately 700,000 bopd itself of which approximately 50,000 bopd comes from the Cairn India operated Ravva field on the east coast of India.
- For further information on Cairn India Limited see www.cairnindia.com